



MILLER & HOLBROOKE

ATTORNEYS AT LAW

June 16, 1993

Page 2

ownership is in the public interest requires that it have access to a variety of information about the parties and the transaction itself. Restrictions on that access to limited information, such as those proposed in comments by a variety of cable interests, exceed the Commission's authority under the 1992 Cable Act and endanger local communities' ability to protect their rights.'

The County is in a unique position to address this issue. In February 1993, Southwestern Bell Corporation ("SBC") proposed to acquire two cable systems in the Washington, D.C. area, including the system serving the County. This transaction represents the first attempt by a regional Bell holding company to acquire a cable system. As such, it presents not only the issues characteristic of any cable system sale, but also a variety of issues relating to the telephone industry and the Modification of Final Judgment governing the Bell companies. These telephone-specific issues could not readily have been predicted at the time the County's cable franchise and governing ordinance were written. It would thus be unreasonable and harmful to the public interest if the Commission sought to adopt rules that would (for example) limit the County to obtaining information only about issues specifically referred to in its

MILLER & HOLBROOKE

ATTORNEYS AT LAW

June 16, 1993

Page 3

substitute for the current franchisee. It is self-evident that this information is relevant to consideration of the proposed transfer. Yet these questions could not have been formulated prior to receipt of the request for transfer.

The following questions have been submitted to SBC Media Ventures, Inc. ("SBC-MV"), a subsidiary of Southwestern Bell Corporation ("SBC") which would become the new franchisee if the transfer were approved, and to Montgomery Cablevision Limited Partnership ("MCLP"), d/b/a Cable TV Montgomery ("CTM"), the current franchisee:

1. How does SBC-MV anticipate that the restrictions imposed on Bell Regional Holding Companies by the MFJ [Modification of Final Judgment] might affect the services currently offered by the System in the future, or the costs or conditions of those services? Please explain in particular whether SBC-MV might be prevented by MFJ restrictions from offering any services currently provided by CTM, such as two-way status monitoring on the subscriber network; telephone bypass service; point-to-point data lines; T1 interconnection between County telephones; switched analog video; high-speed two-way image transmission; and computer network interconnection. In addition, please explain whether SBC's motion for a waiver of MFJ restrictions filed with the U.S. Department of Justice on March 1, 1993, in which SBC states that "SBC will not use interLATA distribution facilities to provide any interexchange voice or data transmission independent of its provision of video and audio programming services," and its reply comments filed on April 12, 1993, would permit SBC-MV to continue offering these and similar services throughout the County.

2. In SBC-MV's view, would SBC-MV be permitted, under the MFJ and applicable law, to provide local data, voice and other telecommunications services over the System [the cable system serving Montgomery County] in the County? If so, please explain the basis and extent of SBC-MV's authority to do so. If not, what sorts of waivers, permissions, or other authorizations would be necessary for SBC-MV to provide such services?

3. Please provide a map showing the exact location of the boundary separating the Washington, D.C. LATA from the Hagerstown LATA, in sufficient detail to enable the County to determine

MILLER & HOLBROOKE

ATTORNEYS AT LAW

June 16, 1993

Page 4

which residences and other buildings in the County lie in the Hagerstown LATA.

4. If signals carried on the System are received from outside the County in any way other than via receive-only antennas, SMATV antennas, and satellite earth stations located within the County, please describe each such signal, the location from which it is obtained (including, if possible, the LATA in which that location lies), the means of transmission, the ownership of any such transmission facilities used, and the contemplated disposition of such facilities if the proposed transaction is consummated.

5. Please provide copies of any correspondence between SBC or its affiliates and the U.S. Department of Justice ("DOJ") regarding SBC's March 1, 1993 request for a waiver of restrictions in the Modification of Final Judgment ("MFJ"), and any documents relating to that request, including but not limited to documents summarizing any internal meetings or meetings with the DOJ, CTM, or Bell Atlantic.

6. Does SBC-MV believe that under current law and regulations SBC-MV could lawfully convert the System into a video dialtone system? If so, please explain.

7. Southwestern Bell Mobile Systems, Inc., has announced its intention to make personal communications services (PCS) available in its service areas. Do SBC-MV, or any of its corporate parents, subsidiaries, or affiliates, anticipate any use of the System in conjunction with any sort of PCS or cellular communications system? If so, please explain.

8. Will the FCC's regulations governing accounting practices by Bell Regional Holding Companies govern the practices of SBC-MV if the proposed transaction occurs? If so, how will these regulations affect the System's financial and accounting

MILLER & HOLBROOKE

ATTORNEYS AT LAW

June 16, 1993

Page 5

practices, and what will be the effects, if any, on subscribers and on the County?

Very truly yours,

MILLER & HOLBROOKE

A handwritten signature in dark ink, appearing to read "Nicholas P. Miller", is written over the printed name.

By

Nicholas P. Miller

Attorneys for Montgomery County,
Maryland

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